

UNITED STATES SENATOR • IOWA

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Grassley Urges Trade Promotion Authority for the President

WASHINGTON – Sen. Chuck Grassley, a leader of the Senate Committee on Finance, today called for Congress to grant the President Trade Promotion Authority this year, saying the United States is falling behind in world trade.

“For 50 years, the United States led the world trading system,” Grassley said. “Now we’re falling behind. If we’re serious about maintaining American leadership in global trade policy, there’s no good alternative to renewing the President’s Trade Promotion Authority this year. Trade Promotion Authority will get us off the bench and back in the game.”

Grassley said that since 1947, the American-led effort to open global markets has allowed American consumers to make their paychecks stretch farther, because they have access to more and better competitively priced goods. Grassley said American businesses and farms have prospered, boosting the U.S. economy. Iowa farmers sold \$3.2 billion in agricultural products in international markets in 1999, more than at any time in history. John Deere sold more than \$700 million of U.S.-made agricultural equipment products to the republics of the former Soviet Union in the past five years.

Despite these successes, the United States has fallen behind in its development of new markets, Grassley said. Without Trade Promotion Authority for the President, the United States has resorted to a one-free-trade-agreement-at-a-time strategy, which doesn’t work, Grassley said. Of the estimated 130 free trade agreements in force around the world today, only two include the United States.

Grassley said Trade Promotion Authority would increase U.S. participation in trade agreements by giving the United States credibility at the negotiating table. Without this credibility, U.S. trading partners have no assurance that U.S. trade negotiators can ever close a deal.

Grassley compared the situation to buying a car. “You tell the sales person what you want to pay,” Grassley said. “The sales person goes back to talk to the sales manager. The sales manager writes down a different number, usually higher. The sales person gives you the new number. Maybe you agree. If you don’t, you’re back to square one. Sometimes, you get so frustrated that you can’t close the deal, you walk out. That’s what negotiating without trade promotion authority is like. Our trade negotiators aren’t able to put their best deal on the table, because they know Congress will change it.”

Grassley said some members of Congress oppose Trade Promotion Authority legislation that

doesn't require other countries to address labor and environmental concerns in trade agreements. Grassley said Congress must address those issues, but they shouldn't stifle Trade Promotion Authority. "No country wants polluted air, but some poor countries have to choose between feeding people and scrubbing smokestacks," Grassley said. "Free, fair trade that increases prosperity is the antidote to labor and environmental lapses."